

1 JOHN W. CAMPBELL, ESQ. (WSB 13798)
2 ESPOSITO, GEORGE & CAMPBELL, PLLC
3 960 Paulson Building
4 421 West Riverside Avenue
5 Spokane, Washington 99201
6 Telephone: (509) 624-9219
7 Facsimile: (509) 624-9231

8 JAMES I. STANG, ESQ. (CA BAR 94435)
9 PACHULSKI, STANG, ZIEHL, YOUNG, JONES &
10 WEINTRAUB P.C.
11 10100 Santa Monica Boulevard, Suite 1100
12 Los Angeles, California 90067
13 Telephone: (310) 277-6910
14 Facsimile: (310) 201-0760

15 [Proposed] Counsel for COMMITTEE OF TORT LITIGANTS

16 **UNITED STATES BANKRUPTCY COURT**
17 **EASTERN DISTRICT OF WASHINGTON**

18 In re:

19 THE CATHOLIC DIOCESE OF SPOKANE,
20
21 Debtor.

22 COMMITTEE OF TORT LITIGANTS,
23
24 Plaintiff,

25 v.

26 THE CATHOLIC DIOCESE OF SPOKANE, ALL
27 SAINTS SCHOOL; SPOKANE, WA,
28 ASSUMPTION CHURCH; SPOKANE, WA,
ASSUMPTION CHURCH; WALLA WALLA, WA,
BISHOP WHITE SEMINARY; SPOKANE, WA,
CATALDO CATHOLIC SCHOOL; SPOKANE,
WA, CATHEDRAL OF OUR LADY OF
LOURDES; SPOKANE, WA, CATHOLIC
CEMETERIES OF SPOKANE, CATHOLIC
CEMETERIES - HOLY CROSS; SPOKANE, WA,
CATHOLIC CHARITIES, INC.; SPOKANE, WA,
CATHOLIC NEWMAN CENTER; CHENEY, WA,
COMUNIDAD HISPANA DE SPOKE; SPOKANE,
WA, DE SALES PREP HIGH SCHOOL; WALLA
WALLA, WA, HISPANIC MINISTRY;
OROVILLE, WA, HISPANIC MINISTRY OF
OUR LADY OF VALLEY; OKANOGAN, WA,
HOLY FAMILY CHURCH; CLARKSTON, WA,
HOLY FAMILY SCHOOL; CLARKSTON, WA,
HOLY GHOST CHURCH; VALLEY, WA, HOLY
ROSARY CHURCH; POMEROY, WA, HOLY

Case No.: 04-08822-PCW11

Chapter 11

Adv. Case No. _____

**COMPLAINT FOR DECLARATORY
RELIEF AND SUBSTANTIVE
CONSOLIDATION**

1 ROSARY CHURCH; ROSALIA, WA, HOLY
2 ROSARY CHURCH; TONASKET, WA, HOLY
3 ROSARY PARISH; TONASKET, WA, HOLY
4 TRINITY CHURCH; WASHTUCNA, WA,
5 IMMACULATE CONCEPTION - COLVILLE;
6 COLVILLE, WA, IMMACULATE CONCEPTION
7 - DAVENPORT; DAVENPORT, WA,
8 IMMACULATE CONCEPTION - OROVILLE;
9 OROVILLE, WA, IMMACULATE CONCEPTION
10 - REPUBLIC; REPUBLIC, WA, IMMACULATE
11 CONCEPTION CHURCH; COLVILLE, WA,
12 IMMACULATE HEART RETREAT CENTER;
13 SPOKANE, WA, LA COMUNIDAD CATOLICA
14 DE SPOKANE; SPOKANE, WA, MARY QUEEN
15 OF HEAVEN CHURCH; SPOKANE, WA, MARY
16 QUEEN OF HEAVEN CHURCH; SPRAGUE, WA,
17 MORNING STAR BOYS RANCH; SPOKANE,
18 WA, OUR LADY OF FATIMA; SPOKANE, WA,
19 OUR LADY OF FATIMA CHURCH; SPOKANE,
20 WA, OUR LADY OF FATIMA PARISH;
21 SPOKANE, WA, OUR LADY OF THE LAKE;
22 SUNCREST, WA, OUR LADY OF THE LAKE
23 CHURCH; SUNCREST, WA, OUR LADY OF
24 LOURDES; WEST END, WA, OUR LADY OF
25 LOURDES CATHEDRAL; SPOKANE, WA, OUR
26 LADY OF LOURDES WEST; FRUITLAND, WA,
27 OUR LADY OF PERPETUAL HELP; ST. JOHN,
28 WA, OUR LADY OF THE VALLEY;
OKANOGAN, WA, PARISH SERVICES OFFICE;
SPOKANE, WA, PURE HEART OF MARY
CHURCH; NORTHPORT, WA, ST. AGNES
CHURCH; RITZVILLE, WA, ST. ALOYSIUS
CHURCH; SPOKANE, WA, ST. ALOYSIUS
SCHOOL; SPOKANE, WA, ST. AMBROSE;
LIND, WA, ST. AMBROSE CHURCH; LIND,
WA, ST. ANN CHURCH; MEDICAL LAKE, WA,
ST. ANNE CHURCH; SPOKANE, WA, ST.
ANNE'S CHILDREN & FAMILY CENTER;
SPOKANE, WA, ST. ANTHONY - NEWPORT;
NEWPORT, WA, ST. ANTHONY CHURCH;
NEWPORT, WA, ST. ANTHONY CHURCH;
SPOKANE, WA, ST. ANTHONY PARISH -
NEWPORT; NEWPORT, WA, ST. ANTHONY'S
ALTAR SOCIETY; NEWPORT, WA, ST.
AUGUSTINE CHURCH; SPOKANE, WA, ST.
BERNARD; IONE, WA, ST. BERNARD
CHURCH; IONE, WA, ST. BONIFACE;
UNIONTOWN, WA, ST. BONIFACE CHURCH;
UNIONTOWN, WA, ST. CATHERINE CHURCH;
OAKESDALE, WA, ST. CHARLES; SPOKANE,
WA, ST. CHARLES CHURCH; SPOKANE, WA,
ST. FRANCIS ASSISI - HARRINGTON;
HARRINGTON, WA, ST. FRANCIS ASSISI -
WALLA WALLA; WALLA WALLA, WA, ST.
FRANCIS ASSISI CHURCH; SPOKANE, WA, ST.

ESPOSITO, GEORGE, & CAMPBELL, P.L.L.C.

421 W. Riverside Avenue, Suite 960

Spokane, WA 99201-0407

Phone: (509) 624-9219 Fax: (509) 624-9231

18477-001\DOCS_LA:135024.6

2

COMPLAINT FOR DECLARATORY RELIEF

1 FRANCIS OF ASSISI CHURCH; WALLA
2 WALLA, WA, ST. FRANCIS XAVIER;
3 SPOKANE, WA, ST. FRANCIS XAVIER
4 CHURCH; SPOKANE, WA, ST. GALL CHURCH;
5 COLTON, WA, ST. GENEVIEVE; TWISP, WA,
6 ST. GENEVIEVE CHURCH; TWISP, WA, ST.
7 JOHN VIANNEY; SPOKANE VALLEY, WA, ST.
8 JOHN VIANNEY - SEMINARY; SPOKANE, WA,
9 ST. JOHN VIANNEY CHURCH; SPOKANE
10 VALLEY, WA, ST. JOHN VIANNEY SCHOOL;
11 SPOKANE, WA, ST. JOSEPH; SPOKANE, WA,
12 ST. JOSEPH - COLBERT; COLBERT, WA, ST.
13 JOSEPH - DAYTON; DAYTON, WA, ST.
14 JOSEPH - JUMP OFF JOE; VALLEY, WA, ST.
15 JOSEPH - METALINE FALLS; METALINE
16 FALLS, WA, ST. JOSEPH - ODESSA; ODESSA,
17 WA, ST. JOSEPH CHURCH; COLBERT, WA, ST.
18 JOSEPH CHURCH; LACROSSE, WA, ST.
19 JOSEPH CHURCH; METALINE FALLS, WA, ST.
20 JOSEPH CHURCH; ODESSA, WA, ST. JOSEPH
21 CHURCH; OMAK, WA, ST. JOSEPH CHURCH;
22 OTIS ORCHARDS, WA, ST. JOSEPH CHURCH;
23 ROCKFORD, WA, ST. JOSEPH CHURCH;
24 SPOKANE, WA, ST. JOSEPH'S CEMETERY;
25 SPOKANE, WA, ST. JOSEPH'S CHURCH;
26 DAYTON, WA, ST. JUDE CHURCH; USK, WA,
27 ST. MARK CHURCH; WAITSBURG, WA, ST.
28 MARKS; DAYTON, WA, ST. MARKS;
WAITSBURG, WA, ST. MARY CHURCH;
SPOKANE VALLEY, WA, ST. MARY MISSION;
OMAK, WA, ST. MARY OF THE ROSARY;
CHEWELAH, WA, ST. MARY OF THE ROSARY
CHURCH; CHEWELAH, WA, ST. MARY
PRESENTATION; DEER PARK, WA, ST. MARY
PRESENTATION CHURCH; DEER PARK, WA,
ST. MARY'S PARISH; SPOKANE VALLEY, WA,
ST. MICHAEL - REARDAN; REARDAN, WA,
ST. MICHAEL CHURCH; REARDAN, WA, ST.
MICHAEL'S; INCHELIUM, WA, ST.
MICHAEL'S MISSION; INCHELIUM, WA, ST.
PASCAL CHURCH; SPOKANE, WA, ST.
PATRICK - COLFAX; COLFAX, WA, ST.
PATRICK - PASCO; PASCO, WA, ST. PATRICK
CHURCH; COLFAX, WA, ST. PATRICK
CHURCH; PASCO, WA, ST. PATRICK CHURCH;
SPOKANE, WA, ST. PATRICK CHURCH;
WALLA WALLA, WA, ST. PATRICK PARISH -
WALLA WALLA; WALLA WALLA, WA, ST.
PATRICK'S CHURCH; CURLEW, WA, ST.
PAUL THE APOSTLE - ELTOPIA; ELTOPIA,
WA, ST. PETER CHURCH; SPOKANE, WA, ST.
PHILLIP BENIZI; FORD, WA, ST. PHILLIP'S
VILLA; SPOKANE, WA, ST. ROSE OF LIMA -
CHENEY; CHENEY, WA, ST. ROSE OF LIMA;
KELLER, WA, ST. ROSE OF LIMA CHURCH;

ESPOSITO, GEORGE, & CAMPBELL, P.L.L.C.

421 W. Riverside Avenue, Suite 960

Spokane, WA 99201-0407

Phone: (509) 624-9219 Fax: (509) 624-9231

18477-001\DOCS_LA:135024.6

3

COMPLAINT FOR DECLARATORY RELIEF

CHENEY, WA, ST. THOMAS MOORE PARISH;
SPOKANE, WA, ST. THOMAS MORE;
PULLMAN, WA, ST. THOMAS MORE CHURCH;
SPOKANE, WA, ST. THOMAS MORE SCHOOL;
SPOKANE, WA, ST. VINCENT; CONNELL, WA,
ST. VINCENT CHURCH; CONNELL, WA, ST.
VINCENT CHURCH (BASIN CITY MISSION);
CONNELL, WA, ST. VINCENT DE PAUL
PARISH; CONNELL, WA, ST. VINCENT THRIFT
STORE; DAYTON, WA, SACRED HEART –
BREWSTER; BREWSTER, WA, SACRED
HEART – NESPELEM, WA, SACRED HEART –
OTHELLO; OTHELLO, WA, SACRED HEART –
PULLMAN, WA, SACRED HEART – VALLEY;
SPRINGDALE, WA, SACRED HEART –
WILBUR; WILBUR, WA, SACRED HEART
CHURCH; BREWSTER, WA, SACRED HEART
CHURCH, KETTLE FALLS, WA, SACRED
HEART CHURCH; OTHELLO, WA, SACRED
HEART CHURCH; PULLMAN, WA, SACRED
HEART CHURCH; SPOKANE, WA, SACRED
HEART CHURCH; SPRINGDALE, WA, SACRED
HEART CHURCH; TEKOA, WA, SACRED
HEART CHURCH; WELLPINT, WA, SACRED
HEART CHURCH; WILBUR, WA, SACRED
HEART PARISH – NESPELEM; NESPELEM,
WA, SACRED HEART PARISH – OTHELLO;
OTHELLO, WA, WALLA WALLA CATHOLIC
SCHOOLS; WALLA WALLA, WA, WALLA
WALLA SCHOOLS; WALLA WALLA, WA,
WENNING ESTATE; SPOKANE, WA, ,

Defendants.

Plaintiff is an official creditors committee designated as the Committee of Tort Litigants (“Plaintiff”) and alleges as follows upon knowledge with respect to itself, and upon information and belief as to all other matters:

THE PARTIES

1. Plaintiff is an official creditors committee designated as the Committee of Tort Litigants for creditors who filed tort-based lawsuits against, inter alia, the Catholic Diocese of Spokane based upon sexual abuse by a member of the clergy, a worker, a teacher, a volunteer, or other person or entity associated with or representing the Diocese and/or parishes, schools, or other Diocese-related institutions served by the Diocese.

1 Diocese-Related Entities are not legal entities separate from or independent of the Diocese, but
2 rather are merely operating divisions, and/or real or personal property of the Diocese.

3 10. On or about the Petition Date, the Diocese filed its Statement of Financial
4 Affairs ("Statement") and Schedules of Assets and Liabilities (the "Schedules"). The Diocese
5 subsequently amended these filings on or about January 14, 2005. See Notice of Filing
6 Amendments to Schedules B, F, and Statement of Financial Affairs, filed January 14, 2005.

7 11. The Diocese's Statement, Form 7, Line 14 (the "Statement Line 14") sets
8 forth the Diocese's designation of "property held for another person." The Diocese's Amended
9 Statement, Form 7, Line 14 (the "Amended Statement Line 14") lists additional property that the
10 Diocese designated as "property held for another person". Upon information and belief, Plaintiff
11 alleges that the Statement Line 14 and the Amended Statement Line 14 list property belonging to the
12 Diocese that should be scheduled as property of the estate.

13 12. The Diocese's Schedule F reflects the Diocese's identification, among other
14 things, of real property that the Diocese asserts belongs to creditors holding unsecured nonpriority
15 claims. The Diocese's Amended Schedule F provides the Diocese's additional identification of real
16 property that the Diocese asserts belongs to creditors holding unsecured nonpriority claims.

17 13. Pages from the Diocese's website (the "Diocese Website"), downloaded as of
18 January 24, 2005, list parishes and schools within the Diocese. Upon information and belief,
19 Plaintiff alleges that the parishes and the schools identified on the Diocese's website identify
20 property belonging to the Diocese that should be scheduled as property of the estate.

21 14. Upon information and belief, Plaintiff alleges that the real property (the
22 "Disputed Real Property") identified as belonging to Diocese-Related Entities identified in
23 Statement Line 14, Amended Statement Line 14, Schedule F, Amended Schedule F, and the Diocese
24 Website, is in fact under the Diocese's complete control and domination, and that the Diocese owns
25 that Disputed Real Property. That Disputed Real Property includes, but is not limited to, the
26 following, commonly described real property, which is property of the Diocese's estate:

- 27 a. All Saints School; Spokane, WA
28 b. Assumption Church; Spokane, WA

ESPOSITO, GEORGE, & CAMPBELL, P.L.L.C.

421 W. Riverside Avenue, Suite 960

Spokane, WA 99201-0407

Phone: (509) 624-9219 Fax: (509) 624-9231

- 1 c. Assumption Church; Walla Walla, WA
- 2 d. Bishop White Seminary; Spokane, WA
- 3 e. Cataldo Catholic School; Spokane, WA
- 4 f. Cathedral of Our Lady of Lourdes; Spokane, WA
- 5 g. Catholic Cemeteries of Spokane
- 6 h. Catholic Cemeteries – Holy Cross; Spokane, WA
- 7 i. Catholic Charities, Inc.; Spokane, WA
- 8 j. Catholic Newman Center; Cheney, WA
- 9 k. Comunidad Hispana De Spoke; Spokane, WA
- 10 l. De Sales Prep High School; Walla Walla, WA
- 11 m. Hispanic Ministry; Oroville, WA
- 12 n. Hispanic Ministry of Our Lady of Valley; Okanogan, WA
- 13 o. Holy Family Church; Clarkston, WA
- 14 p. Holy Family School; Clarkston, WA
- 15 q. Holy Ghost Church; Valley, WA
- 16 r. Holy Rosary Church; Pomeroy, WA
- 17 s. Holy Rosary Church; Rosalia, WA
- 18 t. Holy Rosary Church; Tonasket, WA
- 19 u. Holy Rosary Parish; Tonasket, WA
- 20 v. Holy Trinity Church; Washtucna, WA
- 21 w. Immaculate Conception – Colville; Colville, WA
- 22 x. Immaculate Conception – Davenport; Davenport, WA
- 23 y. Immaculate Conception – Oroville; Oroville, WA
- 24 z. Immaculate Conception – Republic; Republic, WA
- 25 aa. Immaculate Conception Church; Colville, WA
- 26 bb. Immaculate Heart Retreat Center; Spokane, WA
- 27 cc. La Comunidad Catolica De Spokane; Spokane, WA
- 28 dd. Mary Queen of Heaven Church; Spokane, WA

ESPOSITO, GEORGE, & CAMPBELL, P.L.L.C.

421 W. Riverside Avenue, Suite 960

Spokane, WA 99201-0407

Phone: (509) 624-9219 Fax: (509) 624-9231

1 ee. Mary Queen of Heaven Church; Sprague, WA
2 ff. Morning Star Boys Ranch; Spokane, WA
3 gg. Our Lady of Fatima; Spokane, WA
4 hh. Our Lady of Fatima Church; Spokane, WA
5 ii. Our Lady of Fatima Parish; Spokane, WA
6 jj. Our Lady of the Lake; Suncrest, WA
7 kk. Our Lady of the Lake Church; Suncrest, WA
8 ll. Our Lady of Lourdes; West End, WA
9 mm. Our Lady of Lourdes Cathedral; Spokane, WA
10 nn. Our Lady of Lourdes West; Fruitland, WA
11 oo. Our Lady of Perpetual Help; St. John, WA
12 pp. Our Lady of the Valley; Okanogan, WA
13 qq. Parish Services Office; Spokane, WA
14 rr. Pure Heart of Mary Church; Northport, WA
15 ss. St. Agnes Church; Ritzville, WA
16 tt. St. Aloysius Church; Spokane, WA
17 uu. St. Aloysius School; Spokane, WA
18 vv. St. Ambrose; Lind, WA
19 ww. St. Ambrose Church; Lind, WA
20 xx. St. Ann Church; Medical Lake, WA
21 yy. St. Anne Church; Spokane, WA
22 zz. St. Anne's Children & Family Center; Spokane, WA
23 aaa. St. Anthony – Newport; Newport, WA
24 bbb. St. Anthony Church; Newport, WA
25 ccc. St. Anthony Church; Spokane, WA
26 ddd. St. Anthony Parish – Newport; Newport, WA
27 eee. St. Anthony's Altar Society; Newport, WA
28 fff. St. Augustine Church; Spokane, WA

ESPOSITO, GEORGE, & CAMPBELL, P.L.L.C.

421 W. Riverside Avenue, Suite 960

Spokane, WA 99201-0407

Phone: (509) 624-9219 Fax: (509) 624-9231

1 **ggg.** St. Bernard; Ione, WA
2 **hhh.** St. Bernard Church; Ione, WA
3 **iii.** St. Boniface; Uniontown, WA
4 **jjj.** St. Boniface Church; Uniontown, WA
5 **kkk.** St. Catherine Church; Oakesdale, WA
6 **lll.** St. Charles; Spokane, WA
7 **mmm.** St. Charles Church; Spokane, WA
8 **nnn.** St. Francis Assisi – Harrington; Harrington, WA
9 **ooo.** St. Francis Assisi – Walla Walla; Walla Walla, WA
10 **ppp.** St. Francis Assisi Church; Spokane, WA
11 **qqq.** St. Francis of Assisi Church; Walla Walla, WA
12 **rrr.** St. Francis Xavier; Spokane, WA
13 **sss.** St. Francis Xavier Church; Spokane, WA
14 **ttt.** St. Gall Church; Colton, WA
15 **uuu.** St. Genevieve; Twisp, WA
16 **vvv.** St. Genevieve Church; Twisp, WA
17 **www.** St. John Vianney; Spokane Valley, WA
18 **xxx.** St. John Vianney – Seminary; Spokane, WA
19 **yyy.** St. John Vianney Church; Spokane Valley, WA
20 **zzz.** St. John Vianney School; Spokane, WA
21 **aaaa.** St. Joseph; Spokane, WA
22 **bbbb.** St. Joseph – Colbert; Colbert, WA
23 **cccc.** St. Joseph – Dayton; Dayton, WA
24 **dddd.** St. Joseph – Jump Off Joe; Valley, WA
25 **eeee.** St. Joseph – Metaline Falls; Metaline Falls, WA
26 **ffff.** St. Joseph – Odessa; Odessa, WA
27 **gggg.** St. Joseph Church; Colbert, WA
28 **hhhh.** St. Joseph Church; Lacrosse, WA

1 **iiii.** St. Joseph Church; Metaline Falls, WA
 2 **jjjj.** St. Joseph Church; Odessa, WA
 3 **kkkk.** St. Joseph Church; Omak, WA
 4 **llll.** St. Joseph Church; Otis Orchards, WA
 5 **mmmm.** St. Joseph Church; Rockford, WA
 6 **nnnn.** St. Joseph Church; Spokane, WA
 7 **oooo.** St. Joseph's Cemetery; Spokane, WA
 8 **pppp.** St. Joseph's Church; Dayton, WA
 9 **qqqq.** St. Jude Church; Usk, WA
 10 **rrrr.** St. Mark Church; Waitsburg, WA
 11 **ssss.** St. Marks; Dayton, WA
 12 **tttt.** St. Marks; Waitsburg, WA
 13 **uuuu.** St. Mary Church; Spokane Valley, WA
 14 **vvvv.** St. Mary Mission; Omak, WA
 15 **www.** St. Mary of the Rosary; Chewelah, WA
 16 **xxxx.** St. Mary of the Rosary Church; Chewelah, WA
 17 **yyyy.** St. Mary Presentation; Deer Park, WA
 18 **zzzz.** St. Mary Presentation Church; Deer Park, WA
 19 **aaaaa.** St. Mary's Parish; Spokane Valley, WA
 20 **bbbbb.** St. Michael – Reardan; Reardan, WA
 21 **cccc.** St. Michael Church; Reardan, WA
 22 **dddd.** St. Michael's; Inchelium, WA
 23 **eeee.** St. Michael's Mission; Inchelium, WA
 24 **ffff.** St. Pascal Church; Spokane, WA
 25 **gggg.** St. Patrick – Colfax; Colfax, WA
 26 **hhhhh.** St. Patrick – Pasco; Pasco, WA
 27 **iiii.** St. Patrick Church; Colfax, WA
 28 **jjjj.** St. Patrick Church; Pasco, WA

1 **kkkkk.** St. Patrick Church; Spokane, WA
 2 **lllll.** St. Patrick Church; Walla Walla, WA
 3 **mmmmm.** St. Patrick Parish – Walla Walla; Walla Walla, WA
 4 **nnnnn.** St. Patrick's Church; Curlew, WA
 5 **ooooo.** St. Paul the Apostle – Eltopia; Eltopia, WA
 6 **ppppp.** St. Peter Church; Spokane, WA
 7 **qqqqq.** St. Phillip Benizi; Ford, WA
 8 **rrrrr.** St. Phillip's Villa; Spokane, WA
 9 **sssss.** St. Rose of Lima – Cheney; Cheney, WA
 10 **ttttt.** St. Rose of Lima; Keller, WA
 11 **uuuuu.** St. Rose of Lima Church; Cheney, WA
 12 **vvvvv.** St. Thomas Moore Parish; Spokane, WA
 13 **wwwww.** St. Thomas More; Pullman, WA
 14 **xxxxx.** St. Thomas More Church; Spokane, WA
 15 **yyyyy.** St. Thomas More School; Spokane, WA
 16 **zzzzz.** St. Vincent; Connell, WA
 17 **aaaaaa.** St. Vincent Church; Connell, WA
 18 **bbbbbb.** St. Vincent Church (Basin City Mission); Connell, WA
 19 **cccccc.** St. Vincent De Paul Parish; Connell, WA
 20 **dddddd.** St. Vincent Thrift Store; Dayton, WA
 21 **eeeeee.** Sacred Heart – Brewster; Brewster, WA
 22 **ffffff.** Sacred Heart – Nespelem, WA
 23 **gggggg.** Sacred Heart – Othello; Othello, WA
 24 **hhhhhh.** Sacred Heart – Pullman, WA
 25 **iiiii.** Sacred Heart – Valley; Springdale, WA
 26 **jjjjj.** Sacred Heart – Wilbur; Wilbur, WA
 27 **kkkkkk.** Sacred Heart Church; Brewster, WA
 28 **lllll.** Sacred Heart Church, Kettle Falls, WA

mmmmmm. Sacred Heart Church; Othello, WA
nnnnnn. Sacred Heart Church; Pullman, WA
oooooo. Sacred Heart Church; Spokane, WA
pppppp. Sacred Heart Church; Springdale, WA
qqqqqq. Sacred Heart Church; Tekoa, WA
rrrrrr. Sacred Heart Church; Wellpinit, WA
ssssss. Sacred Heart Church; Wilbur, WA
tttttt. Sacred Heart Parish – Nespelem; Nespelem, WA
uuuuuu. Sacred Heart Parish – Othello; Othello, WA
vvvvvv. Walla Walla Catholic Schools; Walla Walla, WA
wwwwww. Walla Walla Schools; Walla Walla, WA
xxxxxx. Wenning Estate; Spokane, WA

15. Upon information and belief, Plaintiff alleges that all of the personal property ostensibly claimed by the Diocese-Related Entities and/or located at or on the Disputed Real Property is in fact under the Diocese's complete control and domination (the "Disputed Personal Property"). This Disputed Personal Property includes, but is not limited to, appurtenances to the Disputed Real Property, furniture, books, relics, artwork, cash, bank accounts, investments, trusts, estates, balances in Diocesan Deposit & Loan Funds, endowment funds, and custodial funds. In particular, and upon information and belief, Plaintiff alleges that the Disputed Personal Property includes, but is not limited to, the following personal property, which is listed on the Statement Line 14, the Amended Statement Line 14, Schedule F, Amended Schedule F, and/or the Diocese's Website:

- a. Baronti Church Fund (custodial funds)
- b. Campbell Estate; Walla Walla, WA
- c. Catholic Church U S (custodial funds)
- d. Guatemala Maintenance & Legal Fund (custodial funds)
- e. Guse Trust for the Poor (endowment funds)
- f. Mass Stipends (custodial funds)

ESPOSITO, GEORGE, & CAMPBELL, P.L.L.C.

- g. Mater Cleri Fund (endowment funds)
- h. Nelson Property/Fr. Hein (custodial funds)
- i. Pension Plan & State Industrial Funds (custodial funds)
- j. Region XII – Youth Ministry (custodial funds)
- k. St. Michael's Mission Fund (custodial funds)
- l. Self Insurance Fund; Spokane, WA
- m. Society for the Propagation of Faith (custodial funds)
- n. Special Cost Reserve (custodial funds)
- o. Special People Fund (endowment funds)
- p. Spokane Catholic Investment Trust; Spokane, WA
- q. Sprietzer – Cash Invested Fund (custodial funds)
- r. Sprietzer Estate; Walla Walla, WA
- s. Sprietzer Estate/DeSales Prep; Walla Walla, WA
- t. Sprietzer Estate/St Patrick Church; Walla Walla, WA
- u. Tri. Conf. Ret. Program (custodial funds)
- v. Walla Walla Orphanages (endowment funds)
- w. World Mission Collection (custodial funds)

16. The Diocese has not scheduled the Disputed Real Property or the Disputed Personal Property as assets of the estate.

17. Therefore, an actual controversy exists concerning whether the Disputed Real Property and the Disputed Personal Property are assets of the estate.

FIRST CAUSE OF ACTION
(Declaratory Relief: The Disputed Real Property)

18. Plaintiff repeats and realleges the allegations of each of the preceding paragraphs as if fully set forth herein.

19. In its Statement Line 14, its Amended Statement Line 14, Schedule F, and Amended Schedule F, the Diocese did not include the Disputed Real Property as property of the estate.

ESPOSITO, GEORGE, & CAMPBELL, P.L.L.C.
421 W. Riverside Avenue, Suite 960
Spokane, WA 99201-0407
Phone: (509) 624-9219 Fax: (509) 624-9231

1 20. Plaintiff contends that the Disputed Real Property is property of the Diocese's
2 estate, free and clear of the interests of any other person or entity.

3 21. A dispute exists as to whether the Disputed Real Property is part of the estate.

4 22. Therefore, Plaintiff respectfully seeks an order of this Court declaring that the
5 Disputed Real Property is property of the estate.

6 **SECOND CAUSE OF ACTION**
7 **(Declaratory Relief: the Disputed Personal Property)**

8 23. Plaintiff repeats and realleges the allegations of each of the preceding
9 paragraphs as if fully set forth herein.

10 24. The Diocese did not include the Disputed Personal Property in its Statement
11 of Financial Affairs, Line 14; or in its Amended Schedules of Assets and Liabilities.

12 25. Plaintiff contends that the Disputed Personal Property is property of the
13 Diocese's estate, free and clear of the interests of any other person or entity.

14 26. A dispute exists as to whether the Disputed Personal Property is part of the
15 estate.

16 27. Therefore, Plaintiff respectfully seeks an order of this Court declaring that the
17 Disputed Real Property is property of the estate.

18 **THIRD CAUSE OF ACTION**
19 **(Declaratory Relief: Substantive Consolidation)**

20 28. Plaintiff repeats and realleges the allegations of each of the preceding
21 paragraphs as if fully set forth herein.

22 29. The constituents represented by the Plaintiff dealt with the Diocese and the
23 Diocese-Related Entities as a single institution.

24 30. Upon information and belief, Plaintiff alleges that the Diocese-Related
25 Entities are mere instrumentalities of the Diocese, with no separate existence apart from the Diocese.
26 Upon information and belief, Plaintiff alleges that the Diocese's affairs are so entangled with those
27 of the Diocese-Related Entities that substantive consolidation of the Diocese and the Diocese-
28 Related Entities will benefit all of the Diocese's creditors, including, but not limited to, Plaintiff.

1 31. Moreover, upon information and belief, Plaintiff alleges that the time and
2 expense necessary to attempt to unscramble the entanglement of the Diocese's affairs with that of
3 the Diocese-Related Entities is so substantial that no accurate identification and allocation of assets
4 is possible in the absence of substantive consolidation.

5 32. Upon information and belief, Plaintiff alleges that no harm will come to the
6 Diocese or the Diocese-Related Entities should this Court enter an order of substantive consolidation
7 because these entities are already so entirely entangled.

8 33. Upon information and belief, substantive consolidation will allow a truly
9 equitable distribution of assets among the Diocese's creditors by treating the Diocese-Related
10 Entities as a single economic unit along with the Diocese.

11 34. A dispute exists as to whether the Diocese-Related Entities have identities
12 separate from that of the Diocese and whether the Diocese's affairs are so entangle with those of the
13 Diocese-Related Entities.

14 35. Therefore, Plaintiff respectfully seeks an order of this Court ordering
15 substantive consolidation, nunc pro tunc, of the Diocese's estate with the Diocese-Related Entities
16 effective as of December 6, 2004.

17 **WHEREFORE**, Plaintiff prays for judgment as follows:

18 1. Declaring that the Disputed Real Property is property of the estate under 11 U.S.C. §
19 541(a)(1) as of December 6, 2004.

20 2. Declaring that the Disputed Personal Property is property of the estate under 11
21 U.S.C. § 541(a)(1) as of December 6, 2004.

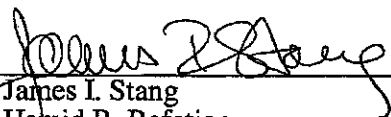
22 3. Ordering the Diocese to amend its Amended Statement of Financial Affairs and its
23 Amended Schedules of Assets and Liabilities to reflect that the Disputed Real Property and the
24 Disputed Personal Property are all property of the estate;

25 4. Ordering substantive consolidation, nunc pro tunc, of the Diocese's bankruptcy estate
26 with the Diocese-Related Entities effect as of December 6, 2004.

27 5. Granting such other and further relief as is just and proper.
28

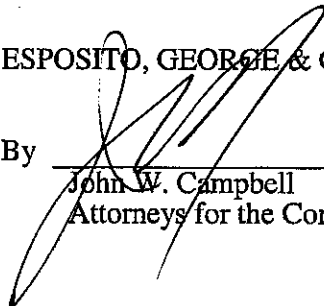
1 Dated: February 3, 2005

PACHULSKI, STANG, ZIEHL, YOUNG, JONES
& WEINTRAUB P.C.

2
3 By 
4 James I. Stang
5 Hamid R. Rafatjoo
6 Gillian N. Brown
7 Attorneys for the Committee of Tort Litigants

8 Dated: February 4, 2005

ESPOSITO, GEORGE & CAMPBELL, PLLC

9 By 
10 John W. Campbell
11 Attorneys for the Committee of Tort Litigants